

SERVICE DATE – APRIL 17, 2017

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 337 (Sub-No. 8X)]

Dakota, Minnesota & Eastern Railroad Corporation—Abandonment Exemption—in
Olmsted County, Minnesota

On March 28, 2017, Dakota, Minnesota & Eastern Railroad Corporation (DM&E) d/b/a/ Canadian Pacific filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to abandon a 2.01-mile rail line extending from the connection at milepost 37.9 +/- of DM&E's Waseca Subdivision, near Eyota, Minn., to the end of the rail line at or near County Road 9, in Olmsted County, Minn. (the Line). The Line traverses U.S. Postal Zip Code 55934.

According to DM&E, it is seeking abandonment of the Line because Kruegel Gas Service (KGS), the sole remaining shipper on the Line, has determined that it no longer requires DM&E to provide common carrier rail service directly to its facility. After abandoning the Line, DM&E states that it will reclassify a segment of the Line as excepted industry track and transfer it to KGS, which will use the track for shipping, receiving, and storing railcars. DM&E states that it will continue to provide service from its Waseca Subdivision up to the industry track. DM&E also states that it has executed a purchase and sale agreement to transfer, upon receipt of abandonment authority, an approximately 1.5-mile segment of the Line to the Parks & Trails Council of Minnesota (Trails Council) for use as a recreational trail.

According to DM&E, there has been no overhead traffic on the Line since before 1997 when DM&E abandoned a 13.03-mile segment of the Plainview Branch. See Dakota, Minn. & E. R.R.—Aban. Exemption—in Wabasha and Olmsted Ctys, Minn., AB 337 (Sub-No. 5X) (STB served Dec. 16, 1996). DM&E states that there has been no local traffic on the Line for more than two years other than traffic received and tendered by KGS. DM&E also states that there are no stations on the Line.

In addition to an exemption from the provisions of 49 U.S.C. § 10903, DM&E also seeks an exemption from the offer of financial assistance (OFA) procedures of 49 U.S.C. § 10904 and the public use provisions of 49 U.S.C. § 10905. In support, DM&E states that an exemption from these provisions is necessary to facilitate the sale of a segment of the Line to KGS, the only shipper on the Line, for use as a private industrial track, and the sale of the remaining segment of the Line to the Trails Council for use as a recreational trail. DM&E's request for exemption from § 10904 and § 10905 will be addressed in the final decision.

According to DM&E, the Line does not contain federally granted rights-of-way. Any documentation in DM&E's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

By issuing this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. § 10502(b). A final decision will be issued by July 14, 2017.

Any OFA under 49 C.F.R. § 1152.27(b)(2) for continued rail service will be due by July 24, 2017, or 10 days after service of a decision granting the petition for exemption, whichever occurs first. Each OFA must be accompanied by a \$1,700 filing fee. See 49 C.F.R. § 1002.2(f)(25).

All interested persons should be aware that, following abandonment, the Line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 C.F.R. § 1152.28 or for interim trail use/rail banking under 49 C.F.R. § 1152.29 will be due no later than May 8, 2017. Each interim trail use request must be accompanied by a \$300 filing fee. See 49 C.F.R. § 1002.2(f)(27).

All filings in response to this notice must refer to Docket No. AB 337 (Sub-No. 8X) and must be sent to: (1) Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001; and (2) W. Karl Hansen, Stinson Leonard Street LLP, 150 South Fifth Street, Suite 2300, Minneapolis, MN 55402. Replies to the petition are due on or before May 8, 2014.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or refer to the full abandonment or discontinuance regulations at 49 C.F.R. part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis (OEA) at (202) 245-0305. Assistance for the

hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by OEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact OEA to obtain a copy of the EA (or EIS). EAs in abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA generally will be within 30 days of its service.

Board decisions and notices are available on our website at “WWW.STB.GOV.”

Decided: April 11, 2017.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.